



COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

CDFI Program – Financial Assistance Component

2004 Key Changes

This document provides a brief summary of changes to the Financial Assistance Notice of Funding Availability, Program Regulations and Application form that are of broad interest. See those documents for details about the Program requirements.

Highlights of Notice of Funding Availability and Regulatory Changes

	2003	2004
Funding Availability (announced)	\$30 million	\$45 million
Small and Emerging CDFIs	No separate category	Category I applicants, separate review criteria
Programmatic Priorities	Hot Zones and Homeownership only	Hot Zone activity, and a range of other activities as lower priorities
Scoring	4 sections, minimum scores required in each section	3 sections, minimum scores required in 2 sections, third section is a ranking score only
Matching Funds	75% in hand or committed by application deadline or points were lost	SECA applicants – 30% in hand or committed, all other applicants 100% in-hand or committed. No points lost, but amount of funding is based on match
Matching fund “window”	January 1, 2002 through May 31, 2004	January 1, 2002 through April 30, 2005
TA Requests	No special treatment of TA requests.	TA for IT upgrades encouraged. SECA applicants declined for FA may be considered for TA.
Prior Awardee eligibility	Based on applicant compliance with prior awards and no undisbursed balances.	Based on applicant and affiliate compliance with prior awards under any program of the CDFI Fund. Undisbursed balances defined by program.
Rural Hot Zone definition	County level only, minimum population of 2,500	Census tract or county level, minimum population of 500
Urban Hot Zone Definition	Minimum population of 2,500.	Minimum population of 1,500
Out-migration and Population loss distress criteria (in regulations)	Eliminated in 2003	Reintroduced in 2004 as indicators of Investment Area distress.

Highlights of Application Changes

	2003	2004
Completeness	Applicant must have EIN.	Applicant must have EIN and DUNS number.
Capital Need Chart	One chart for all applicants.	Different charts for different institution types and different uses of funds. The applicable chart will automatically appear. Applicants not showing capital need on the chart may provide explanatory narrative.
Matching Funds	One chart for all applicants.	Separate chart for SECA applicants.
Market Need & Community Development Impact		
Hot Zone maps	Instructions on uploading Hot Zone maps were confusing to some applicants.	Better instructions, and upgrades to Help Desk/CIMS allow for easy saving of multiple maps.
Activities Level Chart	Activities level chart design was confusing in regard to connecting the product level to a particular market.	Chart has been redesigned for a more direct link between product and Target Market.
Product Design Description	Product Design information captured in chart.	Product design information captured in narrative.
Impact Chart	Impact chart did not allow for impacts other than those on the menu.	Impact chart allows applicant to enter other impacts.
Leverage Chart	Leverage chart required of all applicants.	Leverage chart required only of FLOW applicants.
Management & Underwriting		
Loan portfolio quality chart	Loan portfolio quality charts tracked AH, ED & CL.	Separate charts for first and subordinate lien affordable housing loans. Commercial real estate and community facilities loans part of business loans chart.
Management Control Policies & Procedures	Some prior awardees were not required to attach management control policies and procedures, other applicants were required to attach them.	All applicants must provide information on management control policies and procedures.
Minimum Prudent Standards	Applicant did not know whether it failed MPS.	MPS will be provided and applicant will be given chance to explain any failures.
Management Chart	Management chart requested numerous pieces of information.	Management chart requests less information.
Financial Health and Viability		
Minimum Prudent Standards	Applicant did not know whether it failed MPS.	MPS will be provided and applicant will be given chance to explain any failures.
Financial Data Input Chart	One chart for all applicants.	Different charts available for

		different institution types.
Financial Projections	Choice between historic rate of growth and other rate of growth projections model.	No automatic projections provided.